

**BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION**

IN RE: David B. & Kimberly L. Beasley )  
Dist. 2, Map 62G, Group B, Control Map 62G, ) Franklin County  
Parcel 33 )  
Residential Property )  
Tax Year 2007 )

## INITIAL DECISION AND ORDER

## Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$360,000	\$106,100	\$466,100	\$116,525

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on November 7, 2007 in Winchester, Tennessee. The taxpayer, David Beasley, represented himself. The assessor of property, Phillip Hayes, represented himself.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of a single family residence located on Tims Ford Lake at 65 Cove Lake Circle in Winchester, Tennessee.

The taxpayer contended that subject property should be valued at \$366,000. In support of this position, the testimony and appraisal report of Colin D. Wakefield, a Tennessee Certified Residential Appraiser, was offered into evidence. Essentially, Mr. Wakefield prepared a Uniform Residential Appraisal Report which concluded that the sales comparison and cost approaches support value indications of \$366,000 and \$402,822 respectively. Mr. Wakefield gave greatest weight to the sales comparison approach. In his cost approach, Mr. Wakefield valued subject site at \$250,000, the site improvements at \$15,000 and the remaining improvements at \$137,822.

The taxpayer contended that the assessor's comparables overstate the value of subject property. Mr. Beasley testified why he believed Mr. Hayes' comparables are superior to the subject property. Mr. Beasley supplemented his testimony with photographs of various comparables relied on by Mr. Hayes.

The taxpayer also maintained Mr. Hayes erroneously assumed that lots and homes in TRDA [Tellico Reservoir Development Agency] developments command a higher price than otherwise comparable properties in private subdivisions. In support of this assertion, both Mr. Wakefield and Jim McWhorter, a licensed realtor and broker in Alabama formerly licensed in Tennessee, testified that they saw no difference in sales prices between TRDA and private developments.

The assessor contended that subject property should be valued at \$454,700. In support of this position, three vacant land sales and three improved sales were introduced into evidence. In addition, the property record cards for 2002 and 2005-2008 were introduced into evidence. Finally, Mr. Hayes argued that Mr. Wakefield's appraisal lacks probative value because he did not differentiate between TRDA and private developments.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$366,000 in accordance with Mr. Wakefield's appraisal report. However, the administrative judge finds that \$94,700 should be allocated to the improvements in accordance with the 2008 property record card. The administrative judge finds the remaining \$271,300 should be allocated to subject site.

The administrative judge finds that Mr. Wakefield's appraisal report constitutes the most thorough and best substantiated evidence in the record. The administrative judge finds that Mr. Wakefield's appraisal report utilizes generally accepted appraisal practices. The administrative judge finds that Mr. Hayes did not introduce sufficient evidence to substantiate his assertion that the market differentiates between TRDA and private developments. For example, such a contention could presumably be proven by comparing sales of otherwise comparable homes located in TRDA versus private developments.

Respectfully, the administrative judge finds that Mr. Hayes' comparable sales have significantly less probative value because they were not adjusted. The Assessment Appeals Commission addressed the need to adjust comparables in the oft-cited case of *E.B. Kissell, Jr.* (Shelby Co., Tax Years 1991 and 1992) as follows:

The best evidence of the present value of a residential property is generally sales of properties comparable to the subject, comparable in features relevant to value. Perfect comparability is not required, but relevant differences should be explained and accounted for by reasonable adjustments. If evidence of a sale is presented without the required analysis of comparability, it is difficult or impossible for us to use the sale as an indicator of value. . . .

Final Decision and Order at 2. The administrative judge finds that Mr. Beasley's testimony and photographs convincingly demonstrate the need to adjust for factors such as view, usable frontage, etc.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2007:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$271,300	\$94,700	\$366,000	\$91,500

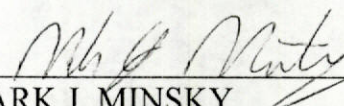
It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 21st day of November, 2007.

  
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MARK J. MINSKY  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: David B. & Kimberly L. Beasley  
Phillip Hayes, Assessor of Property